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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

ISHMAEL PEREZ, individually, and on
behalf of other members of the general
public similarly situated,

Plaintiff,

vs.

CORE & MAIN LP, a Florida limited
partnership; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 5:20-cv-01821-MCS-KK

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE**

JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Ishmael Perez (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendant Core & Main LP (“Defendant”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Perez v. Core & Main LP*, No. 5:20-cv-01821 MCS (KKx) (C.D. Cal.).
2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees and expenses, investigation expenses, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or One Hundred Eighty-Three Thousand Three Hundred Thirty-Three Dollars (\$183,333). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Fifteen Thousand Dollars (\$15,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.
3. “Class Counsel” means Capstone Law APC.
4. “Class List” means a complete list of all Class Members that Defendant

1 will diligently and in good faith compile from its records and provide to the Settlement
2 Administrator and to Class Counsel within twenty (20) calendar days after Preliminary
3 Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel
4 and will include each Class Member's full name; most recent mailing address and
5 telephone number; Social Security number; dates of employment; the respective number
6 of Workweeks that each Class Member worked during the Class Period and PAGA
7 Period; and any other relevant information needed to calculate settlement payments.

8 5. "Class Member(s)" or "Settlement Class" means all persons employed by
9 Defendant in the State of California in non-exempt positions at any time from June 30,
10 2016 through date of Preliminary Approval.

11 6. "Class Period" means the period from June 30, 2016 to date of Preliminary
12 Approval.

13 7. "Class Representative Enhancement Payment" means the amount to be
14 paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf
15 of Class Members, and for his general release of claims. Subject to the Court granting
16 final approval of this Settlement Agreement and subject to the exhaustion of any and all
17 appeals, Plaintiff will request Court approval of a Class Representative Enhancement
18 Payment of Five Thousand Dollars (\$5,000).

19 8. "Court" means the United States District Court, Central District of
20 California.

21 9. "Defendant" means Defendant Core & Main LP.

22 10. "Effective Date" means the later of: (i) if no timely objections are filed, or
23 are withdrawn prior to Final Approval, then the date of Final Approval; or (ii) if a Class
24 Member files an objection to the Settlement, the Effective Date shall be the thirty-first
25 (31) calendar day after the date of Final Approval, provided no appeal is initiated by an
26 objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will
27 be the date of final resolution of that appeal (including any requests for rehearing and/or
28 petitions for certiorari), resulting in final judicial approval of the Settlement.

1 11. “Final Approval” means the date on which the Court enters an order
2 granting final approval of the Settlement Agreement.

3 12. “Gross Settlement Amount” means the Gross Settlement Amount of Five
4 Hundred Fifty Thousand Dollars (\$550,000), to be paid by Defendant in full satisfaction
5 of all Released Class Claims and Released PAGA Claims arising from the Action,
6 which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Class
7 Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement
8 Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and
9 Defendant based on the aggregation of the agreed-upon settlement value of individual
10 claims. In no event will Defendant be liable for more than the Gross Settlement Amount
11 except as otherwise explicitly set forth herein. There will be no reversion of the Gross
12 Settlement Amount to Defendant. Defendant will be separately responsible for any
13 employer payroll taxes required by law, including the employer FICA, FUTA, and SDI
14 contributions, which shall not be paid from the Gross Settlement Amount.

15 13. “Individual Settlement Payment” means each Participating Class
16 Member’s and PAGA Member’s respective shares of the Net Settlement Fund and
17 PAGA Fund.

18 14. “Net Settlement Fund” means the portion of the Gross Settlement Amount
19 remaining after deducting the Attorneys’ Fees and Costs, the Class Representative
20 Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration
21 Costs. The Net Settlement Fund will be distributed to Participating Class Members.
22 There will be no reversion of the Net Settlement Fund to Defendant.

23 15. “Notice of Objection” means a Class Member’s valid and timely written
24 objection to the Settlement Agreement. For the Notice of Objection to be valid, it must
25 include: (i) the objector’s full name, signature, address, and telephone number, (ii) a
26 written statement of all grounds for the objection accompanied by any legal support for
27 such objection; (iii) copies of any papers, briefs, or other documents upon which the
28 objection is based; and (iv) a statement whether the objector intends to appear at the final

1 fairness hearing. Any Class Member who does not submit a timely written objection to
2 the Settlement, or who fails to otherwise comply with the specific and technical
3 requirements of this section, will be foreclosed from objecting to the Settlement and
4 seeking any adjudication or review of the Settlement, by appeal or otherwise.

5 16. "Notice Packet" means the Notice of Class Action Settlement,
6 substantially in the form attached as Exhibit A.

7 17. "PAGA Member" means all persons employed by Defendant in the State
8 of California in non-exempt positions during the PAGA Period.

9 18. "PAGA Period" means the period from June 30, 2019 to the date of
10 Preliminary Approval.

11 19. "PAGA Settlement Amount" means the amount that the Parties have
12 agreed to pay to the Labor and Workforce Development Agency ("LWDA") and PAGA
13 Members in connection with Plaintiff's claim under the Labor Code Private Attorneys
14 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"). The Parties have
15 agreed that Ten Thousand Dollars (\$10,000) of the Gross Settlement Amount will be
16 allocated to the PAGA settlement ("PAGA Settlement Amount"). Pursuant to PAGA,
17 Seventy-Five Percent (75%), or Seven Thousand Five Hundred Dollars (\$7,500), of the
18 PAGA Settlement Amount will be paid to the California Labor and Workforce
19 Development Agency ("Labor and Workforce Development Agency Payment"), and
20 Twenty-Five Percent (25%), or Two Thousand Five Hundred Dollars (\$2,500) ("PAGA
21 Fund"), of the PAGA Settlement Amount will be disbursed to PAGA Members,
22 regardless whether they request to be excluded from the Settlement Class.

23 20. "Parties" means Plaintiff and Defendant collectively.

24 21. "Participating Class Members" means all Class Members who do not
25 submit timely and valid Requests for Exclusion.

26 22. "Plaintiff" means Plaintiff Ishmael Perez.

27 23. "Preliminary Approval" means the date on which the Court enters an
28 order granting preliminary approval of the Settlement Agreement.

1 24. “Released Class Claims” means all claims, rights, demands, liabilities, and
2 causes of action accruing during the Class Period that were or could have been pleaded
3 based on the factual allegations set forth in the operative Complaint, including: (i) all
4 claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all
5 claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages
6 upon termination based on the preceding claims; (v) all claims for the failure to timely
7 pay wages during employment; (vi) all claims for the failure to reimburse for necessary
8 business expenses; (vii) all claims for wage statement violations; and (viii) all claims
9 asserted through California Business & Professions Code §§ 17200, *et seq.*, based on the
10 preceding claims.

11 25. “Released PAGA Claims” means all claims, rights, demands, liabilities,
12 and causes of action for PAGA civil penalties accruing during the PAGA Period that
13 were or could have been pleaded based on the factual allegations set forth in the
14 operative Complaint and any PAGA Letters submitted to the LWDA by Plaintiff,
15 including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest break
16 violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to
17 timely pay wages upon termination based on the preceding claims; (v) all claims for the
18 failure to timely pay wages during employment; (vi) all claims for the failure to
19 reimburse for necessary business expenses; and (vii) all claims for wage statement
20 violations.

21 26. “Released Parties” means Defendant, its past or present officers, board
22 members, directors, partners, shareholders, employees, agents, principals, heirs,
23 representatives, accountants, auditors, consultants, insurers and reinsurers, and its
24 respective successors and predecessors in interest, subsidiaries, affiliates, parents and
25 attorneys, if any.

26 27. “Request for Exclusion” means a timely letter submitted by a Class
27 Member indicating a request to be excluded from the Settlement Class. The Request for
28 Exclusion must: (i) set forth the name, address, telephone number, and last four digits of

1 the Social Security Number of the Class Member requesting exclusion; (ii) be signed by
2 the Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that
3 the Class Member does not wish to be included in the Settlement; and (v) be faxed or
4 postmarked on or before the Response Deadline.

5 28. "Response Deadline" means the deadline by which Class Members must
6 postmark or fax to the Settlement Administrator Requests for Exclusion, or postmark
7 Notices of Objection to the Settlement Administrator. The Response Deadline will be
8 forty-five (45) calendar days from the initial mailing of the Notice Packet by the
9 Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or
10 State holiday, in which case the Response Deadline will be extended to the next day on
11 which the U.S. Postal Service is open.

12 29. "Settlement Administration Costs" means the costs payable from the Gross
13 Settlement Amount to the Settlement Administrator for administering this Settlement,
14 including, but not limited to, printing, distributing, and tracking documents for this
15 Settlement, tax reporting, distributing the Gross Settlement Amount, and providing
16 necessary reports and declarations, as requested by the Parties. The Settlement
17 Administration Costs will be paid from the Gross Settlement Amount, including, if
18 necessary, any such costs in excess of the amount represented by the Settlement
19 Administrator as being the maximum costs necessary to administer the Settlement.
20 Based on an estimated Settlement Class of approximately Four Hundred (400) Class
21 Members, the Settlement Administration Costs are currently estimated to be Ten
22 Thousand Dollars (\$10,000).

23 30. "Settlement Administrator" means ILYM Group, Inc., or any other third-
24 party class action settlement administrator agreed to by the Parties and approved by the
25 Court for the purposes of administering this Settlement. The Parties each represent that
26 they do not have any financial interest in the Settlement Administrator or otherwise have
27 a relationship with the Settlement Administrator that could create a conflict of interest.

28 31. "Workweeks" means the number of days of employment for each Class

1 Member during the Class Period, subtracting days on leave of absence (if any), dividing
2 by seven (7), and rounding up to the nearest whole number. All Class Members will be
3 credited with at least one Workweek during the Class Period, and all PAGA Members
4 will be credited with at least one Workweek during the PAGA Period.

5 **TERMS OF AGREEMENT**

6 The Plaintiff, on behalf of himself and the Settlement Class, and Defendant agree
7 as follows:

8 32. Funding of the Gross Settlement Amount. Defendant will make a one-time
9 deposit of the Gross Settlement Amount of Five Hundred Fifty Thousand Dollars
10 (\$550,000) into a Qualified Settlement Fund to be established by the Settlement
11 Administrator. Defendant will pay the employer's share of payroll taxes separately.
12 After the Effective Date, the Gross Settlement Amount will be used for: (i) Individual
13 Settlement Payments; (ii) the PAGA Settlement Amount; (iii) the Class Representative
14 Enhancement Payment; (iv) Attorneys' Fees and Costs; and (v) Settlement
15 Administration Costs. Defendant will deposit the Gross Settlement Amount and the
16 employer's share of payroll taxes within fourteen (14) calendar days of the Effective
17 Date ("Funding Date").

18 33. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any
19 application or motion by Class Counsel for Attorneys' Fees and Costs of not more than
20 One Hundred Eighty-Three Thousand Three Hundred Thirty-Three Dollars (\$183,333),
21 plus the reimbursement of all out-of-pocket costs and expenses associated with Class
22 Counsel's litigation and settlement of the Action (including expert/consultant fees and
23 expenses, investigations expenses, etc.), not to exceed Fifteen Thousand Dollars
24 (\$15,000), both of which will be paid from the Gross Settlement Amount.

25 34. Class Representative Enhancement Payment. In exchange for a general
26 release, and in recognition of his effort and work in prosecuting the Action on behalf of
27 Class Members, Defendant agrees not to oppose or impede any application or motion for
28 a Class Representative Enhancement Payment of Five Thousand Dollars (\$5,000). The

1 Class Representative Enhancement Payment will be paid from the Gross Settlement
2 Amount and will be in addition to Plaintiff's Individual Settlement Payment paid
3 pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and
4 all applicable taxes on the Class Representative Enhancement Payment.

5 35. Settlement Administration Costs. The Settlement Administrator will be
6 paid for the reasonable costs of administration of the Settlement and distribution of
7 payments from the Gross Settlement Amount, which is currently estimated to be Ten
8 Thousand Dollars (\$10,000). These costs, which will be paid from the Gross Settlement
9 Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement
10 Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice Packets,
11 calculating and distributing the Gross Settlement Amount, and providing necessary
12 reports and declarations.

13 36. PAGA Settlement Amount. Subject to Court approval, the Parties agree
14 that the amount of Ten Thousand Dollars (\$10,000) from the Gross Settlement Amount
15 will be designated for satisfaction of Plaintiff's and PAGA Members' PAGA claims.
16 Pursuant to PAGA, Seventy-Five Percent (75%), or Seven Thousand Five Hundred
17 Dollars (\$7,500), of this sum will be paid to the LWDA and Twenty-Five Percent
18 (25%), or Two Thousand Five Hundred Dollars (\$2,500), will be paid to PAGA
19 Members in proportion to the number of Workweeks worked during the PAGA Period.

20 37. No Right to Exclusion or Objections by PAGA Members. Because this
21 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a
22 proxy and as a Private Attorney General of, and for, the State of California and the
23 LWDA, the Parties agree that no PAGA Member has the right to exclude himself or
24 herself from the Settlement. PAGA Members will be bound by the terms of the
25 Settlement Agreement and Released PAGA Claims, upon its approval by the Court,
26 regardless of whether he or she cashes any payment received as a result of this
27 Settlement. The Parties also agree that no PAGA Member has the right to object to the
28 terms of the Settlement Agreement.

1 38. Net Settlement Fund. The entire Net Settlement Fund will be distributed to
2 Participating Class Members. No portion of the Net Settlement Fund will revert to or be
3 retained by Defendant.

4 39. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA
5 Members. No portion of the PAGA Fund will revert to or be retained by Defendant.

6 40. Individual Settlement Payment Calculations. Individual Settlement
7 Payments will be calculated and apportioned from the Net Settlement Fund and PAGA
8 Fund based on the number of Workweeks Class Members and PAGA Members worked
9 during applicable Class Period and PAGA Period. Specific calculations of Individual
10 Settlement Payments will be made as follows:

11 40(a) Payments from the Net Settlement Fund. Defendant will
12 calculate the total number of Workweeks worked by each Class
13 Member during the Class Period and the aggregate total number
14 of Workweeks worked by all Class Members during the Class
15 Period. To determine each Participating Class Member's share
16 of the Net Settlement Fund, the Settlement Administrator will
17 use the following formula:

18 40(a)(i) The Net Settlement Fund will be divided by the
19 aggregate total number of Workweeks, resulting in the
20 "Workweek Value."

21 40(a)(ii) Each Participating Class Member's "Individual
22 Settlement Payment" will be calculated by
23 multiplying each individual Participating Class
24 Member's total number of Workweeks by the
25 Workweek Value.

26 40(a)(iii) The Individual Settlement Payment will be reduced
27 by any required deductions for each Participating
28 Class Member as specifically set forth herein,

including employee-side tax withholdings or deductions.

40(a)(iv) The entire Net Settlement Fund will be disbursed to all Participating Class Members.

40(b) Payments from the PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member during the PAGA Period and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's share of the PAGA Fund, the Settlement Administrator will use the following formula:

40(b)(i) The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the "PAGA Workweek Value."

40(b)(ii) Each PAGA Member's "Individual Settlement Payment" will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value.

40(b)(iii) The entire PAGA Fund will be disbursed to all PAGA Members.

41. Escalator Clause. The Gross Settlement Amount was calculated with, and is premised on, the understanding that as of December 31, 2020, there were approximately 364 Class Members eligible to participate in the Settlement. The Gross Settlement Amount is also premised on the understanding that as of December 31, 2020, the Settlement Class Period was comprised of approximately 30,745 workweeks by Class Members. If the number of Class Members increases by more than ten percent (10%) (i.e., increases by 36 employees to a total of 400 Class Members), then Defendant may, at its election, cut off its liability with respect to the Class Members at a total

1 employee count of 400 or, alternatively, pay an additional amount proportionate to the
2 settlement amount for each additional Class Member above the total employee count of
3 400 according to the following formula: Proportionally Increased Gross Settlement
4 Amount = Total Number of Class Members ÷ 400 × \$550,000 (for example, if the Total
5 Number of Class Members is 401 and Defendant elects to pay an additional amount
6 proportionate to the settlement amount for each Class Member, then the total Gross
7 Settlement Amount will increase to \$551,375; or, by \$1,375 per additional Class
8 Member that exceeds the total Class Member count of 400). If Defendant elects to cut
9 off its liability with respect to the Class Members at a total employee count of 400, then
10 all Class Members excluded from the Settlement on that basis will not release the
11 Released Claims.

12 42. No Credit Toward Benefit Plans. The Individual Settlement Payments
13 made to Participating Class Members under this Settlement, as well as any other
14 payments made pursuant to this Settlement, will not be utilized to calculate any
15 additional benefits under any benefit plans to which any Class Members may be eligible,
16 including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock
17 purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
18 Rather, it is the Parties' intention that this Settlement Agreement will not affect any
19 rights, contributions, or amounts to which any Class Members may be entitled under any
20 benefit plans.

21 43. Administration Process. The Parties agree to cooperate in the
22 administration of the settlement and to make all reasonable efforts to control and
23 minimize the costs and expenses incurred in administration of the Settlement.

24 44. Delivery of the Class List. Within twenty (20) calendar days of
25 Preliminary Approval, Defendant will provide the Class List to the Settlement
26 Administrator and to Class Counsel.

27 45. Notice by First-Class U.S. Mail. Within ten (10) calendar days after
28 receiving the Class List from Defendant, the Settlement Administrator will mail a Notice

1 Packet to all Class Members via regular First-Class U.S. Mail, using the most current,
2 known mailing addresses identified in the Class List.

3 46. Confirmation of Contact Information in the Class Lists. Prior to mailing,
4 the Settlement Administrator will perform a search based on the National Change of
5 Address Database for information to update and correct for any known or identifiable
6 address changes. Any Notice Packets returned to the Settlement Administrator as non-
7 deliverable on or before the Response Deadline will be sent promptly via regular First-
8 Class U.S. Mail to the forwarding address affixed thereto and the Settlement
9 Administrator will indicate the date of such re-mailing on the Notice Packet. If no
10 forwarding address is provided, the Settlement Administrator will promptly attempt to
11 determine the correct address using a skip-trace, or other search using the name, address
12 and/or Social Security number of the Class Member involved, and will then perform a
13 single re-mailing. Those Class Members who receive a re-mailed Notice Packet,
14 whether by skip-trace or by request, will have either (i) an additional fifteen (15)
15 calendar days or (ii) until the Response Deadline, whichever is later, to submit a Request
16 for Exclusion or an objection to the Settlement.

17 47. Notice Packets. All Class Members will be mailed a Notice Packet. Each
18 Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a
19 summary of the Settlement's principal terms; (iii) the definitions for Class Members and
20 PAGA Members; (iv) the total number of Workweeks each respective Class Member
21 and PAGA Member worked for Defendant during the applicable Class Period and
22 PAGA Period; (v) each Class Member's and PAGA Member's estimated Individual
23 Settlement Payment and the formulae for calculating Individual Settlement Payments;
24 (vi) the dates which comprise the Class Period and PAGA Period; (vii) instructions on
25 how to submit Requests for Exclusion or Notices of Objection; (viii) the deadlines by
26 which the Class Member must postmark or fax Request for Exclusions, or postmark
27 Notices of Objection to the Settlement; and (ix) the claims to be released. A Spanish
28 translation of this same Notice Packet will be made available by request.

1 48. Disputed Information on Notice Packets. Class Members will have an
2 opportunity to dispute the information provided in their Notice Packets. To the extent
3 Class Members dispute their employment dates or the number of Workweeks on record,
4 Class Members may produce evidence to the Settlement Administrator showing that
5 such information is inaccurate. The Settlement Administrator will decide the dispute.
6 Defendant's records will be presumed correct, but the Settlement Administrator will
7 evaluate the evidence submitted by the Class Member and will make the final decision
8 as to the merits of the dispute. All disputes will be decided within ten (10) business days
9 after the Response Deadline.

10 49. Defective Submissions. If a Class Member's Request for Exclusion is
11 defective as to the requirements listed herein, that Class Member will be given an
12 opportunity to cure the defect(s). The Settlement Administrator will mail the Class
13 Member a cure letter within three (3) business days of receiving the defective
14 submission to advise the Class Member that his or her submission is defective and that
15 the defect must be cured to render the Request for Exclusion valid. The Class Member
16 will have until (i) the Response Deadline or (ii) fifteen (15) calendar days from the date
17 of the cure letter, whichever date is later, to postmark or fax a revised Request for
18 Exclusion. If the revised Request for Exclusion is not postmarked or received by fax
19 within that period, it will be deemed untimely.

20 50. Request for Exclusion Procedures. Any Class Member wishing to opt-out
21 from the Settlement Agreement must sign and fax or postmark a written Request for
22 Exclusion to the Settlement Administrator within the Response Deadline. In the case of
23 Requests for Exclusion that are mailed to the Settlement Administrator, the postmark
24 date will be the exclusive means to determine whether a Request for Exclusion has been
25 timely submitted.

26 51. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any
27 Class Member who does not affirmatively opt-out of the Settlement Agreement by
28 submitting a timely and valid Request for Exclusion will be bound by all of its terms,

1 including those pertaining to the Released Claims, as well as any Judgment that may be
2 entered by the Court if it grants final approval to the Settlement.

3 52. Releases by Participating Class Members. Upon the Funding Date, and
4 except as to such rights or claims as may be created by this Settlement Agreement, each
5 Participating Class Member, together and individually, on their behalf and on behalf of
6 their respective spouses, heirs, executors, administrators, agents, and attorneys, shall
7 fully and forever release and discharge all of the Released Parties, or any of them, from
8 each of the Released Class Claims during the Class Period.

9 53. Releases by PAGA Members. Upon the Funding Date, and except as to
10 such rights or claims as may be created by this Settlement Agreement, each PAGA
11 Member, together and individually, on their behalf and on behalf of their respective
12 spouses, heirs, executors, administrators, agents, and attorneys, shall fully and forever
13 release and discharge all of the Released Parties, or any of them, from each of the
14 Released PAGA Claims during the PAGA Period.

15 54. Defendant's Right to Rescind. Defendant will have, in its sole discretion,
16 the right to void and withdraw from the Settlement if, at any time prior to Final
17 Approval, Ten Percent (10%) or more of Class Members opt out of the Settlement Class.
18 Defendant must exercise this right of rescission in writing to Class Counsel within
19 fourteen (14) calendar days after the Response Deadline. If the option to rescind is
20 exercised, then Defendant will be solely responsible for all Settlement Administration
21 Costs incurred to the date of rescission.

22 55. Objection Procedures. To object to the Settlement Agreement, a Class
23 Member must postmark a valid Notice of Objection to the Settlement Administrator on
24 or before the Response Deadline. The Notice of Objection must be signed by the Class
25 Member and contain all information required by this Settlement Agreement. The
26 postmark will be deemed the exclusive means for determining that the Notice of
27 Objection is timely. Class Members who fail to object in the manner specified above
28 will be deemed to have waived all objections to the Settlement and will be foreclosed

1 from making any objections, whether by appeal or otherwise, to the Settlement
2 Agreement. Class Members who postmark timely Notices of Objection will have a right
3 to appear at the Final Approval Hearing in order to have their objections heard by the
4 Court. At no time will any of the Parties or their counsel seek to solicit or otherwise
5 encourage Class Members to submit written objections to the Settlement Agreement or
6 appeal from the Order and Judgment. Class Counsel will not represent any Class
7 Members with respect to any such objections to this Settlement.

8 56. Certification Reports Regarding Individual Settlement Payment
9 Calculations. The Settlement Administrator will provide Defendant's counsel and Class
10 Counsel a weekly report that certifies the number of Class Members who have submitted
11 valid Requests for Exclusion, objections to the Settlement, and whether any Class
12 Member has submitted a challenge to any information contained in their Notice Packet.
13 Additionally, the Settlement Administrator will provide to counsel for both Parties any
14 updated reports regarding the administration of the Settlement Agreement as needed or
15 requested.

16 57. Distribution Timing of Individual Settlement Payments. Within ten (10)
17 calendar days of the Funding Date, the Settlement Administrator will issue payments to:
18 (i) Participating Class Members and PAGA Members; (ii) the Labor and Workforce
19 Development Agency; (iii) Plaintiff; and (iv) Class Counsel. The Settlement
20 Administrator will also issue a payment to itself for Court-approved services performed
21 in connection with the Settlement.

22 58. Un-cashed Settlement Checks. Funds represented by Individual Settlement
23 Payment checks returned as undeliverable and Individual Settlement Payment checks
24 remaining un-cashed for more than one hundred and twenty (120) calendar days after
25 issuance will be tendered to California Rural Legal Assistance.

26 59. Certification of Completion. Upon completion of administration of the
27 Settlement, the Settlement Administrator will provide a written declaration under oath to
28 certify such completion to the Court and counsel for all Parties.

1 60. Treatment of Individual Settlement Payments. All Individual Settlement
2 Payments will be allocated as follows: (i) Twenty Percent (20%) of each Individual
3 Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued;
4 (ii) Forty Percent (40%) will be allocated as interest for which IRS Forms 1099-MISC
5 will be issued; and (iii) Forty Percent (40%) will be allocated as penalties for which IRS
6 Forms 1099-MISC will be issued.

7 61. Administration of Taxes by the Settlement Administrator. The Settlement
8 Administrator will be responsible for issuing to Plaintiff, Participating Class Members,
9 and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all
10 amounts paid pursuant to this Settlement. The Settlement Administrator will also be
11 responsible for forwarding all payroll taxes and penalties to the appropriate government
12 authorities.

13 62. Tax Liability. Defendant makes no representation as to the tax treatment or
14 legal effect of the payments called for hereunder, and Plaintiff and Participating Class
15 Members are not relying on any statement, representation, or calculation by Defendant
16 or by the Settlement Administrator in this regard.

17 63. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
18 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH
19 PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
20 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO
21 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION
22 OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
23 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
24 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE
25 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
26 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230
27 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY
28 (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,

1 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
2 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT
3 ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION
4 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER
5 PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION
6 OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY
7 TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
8 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY
9 OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
10 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
11 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
12 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE
13 TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
14 INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

15 64. No Prior Assignments. The Parties and their counsel represent, covenant,
16 and warrant that they have not directly or indirectly assigned, transferred, encumbered,
17 or purported to assign, transfer, or encumber to any person or entity any portion of any
18 liability, claim, demand, action, cause of action or right herein released and discharged.

19 65. Nullification of Settlement Agreement. In the event that: (i) the Court does
20 not finally approve the Settlement as provided herein; or (ii) the Settlement does not
21 become final for any other reason, then this Settlement Agreement, and any documents
22 generated to bring it into effect, will be null and void. Any order or judgment entered by
23 the Court in furtherance of this Settlement Agreement will likewise be treated as void
24 from the beginning.

25 66. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the
26 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of
27 a Preliminary Approval Order for: (i) conditional certification of the Settlement Class
28 for settlement purposes only, (ii) preliminary approval of the proposed Settlement

1 Agreement, (iii) setting a date for a final fairness hearing. The Preliminary Approval
2 Order will provide for the Notice Packet to be sent to all Class Members as specified
3 herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this
4 Settlement Agreement, which sets forth the terms of this Settlement, and will include the
5 proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will
6 be responsible for drafting all documents necessary to obtain preliminary approval.

7 67. Final Settlement Approval Hearing and Entry of Judgment. Upon
8 expiration of the deadlines to postmark Requests for Exclusion or objections to the
9 Settlement Agreement, and with the Court's permission, a final fairness hearing will be
10 conducted to determine the Final Approval of the Settlement Agreement along with the
11 amounts properly payable for: (i) Attorneys' Fees and Costs; (ii) the Class
12 Representative Enhancement Payment; (iii) Individual Settlement Payments; (iv) the
13 Labor and Workforce Development Agency Payment; (v) all Settlement Administration
14 Costs. The final fairness hearing will not be held earlier than thirty (30) calendar days
15 after the Response Deadline. Class Counsel will be responsible for drafting all
16 documents necessary to obtain final approval. Class Counsel will also be responsible for
17 drafting the attorneys' fees and costs application to be heard at the final approval
18 hearing.

19 68. Judgment and Continued Jurisdiction. Upon final approval of the
20 Settlement by the Court or after the final fairness hearing, the Parties will present the
21 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
22 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
23 enforcement of the terms of the Settlement, (ii) Settlement administration matters, and
24 (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in
25 this Settlement Agreement.

26 69. Release by Plaintiff. Upon the Funding Date, in addition to the claims
27 being released by all Participating Class Members, Plaintiff will release and forever
28 discharge the Released Parties, to the fullest extent permitted by law, of and from any

1 and all claims, known and unknown, asserted and not asserted, which Plaintiff has or
2 may have against the Released Parties arising out of or relating to Plaintiff's employment
3 with Defendant or termination thereof, including but not limited to claims for wages,
4 restitution, penalties, retaliation, defamation, discrimination, harassment, and wrongful
5 termination, as of the date of execution of this Settlement Agreement. This release
6 specifically includes any and all claims, demands, obligations and/or causes of action for
7 damages, restitution, penalties, interest, and attorneys' fees and costs (except as provided
8 by this Settlement Agreement) relating to or in any way connected with the matters
9 referred to herein. To the extent the foregoing release is a release to which Section 1542
10 of the California Civil Code or similar provisions of other applicable law may apply,
11 Plaintiff expressly waives any and all rights and benefits conferred upon him by the
12 provisions of Section 1542 of the California Civil Code or similar provisions of
13 applicable law which are as follows:

14 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
15 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
16 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
17 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
18 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
19 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

20 70. Exhibits Incorporated by Reference. The terms of this Settlement
21 Agreement include the terms set forth in any attached Exhibits, which are incorporated
22 by this reference as though fully set forth herein. Any Exhibits to this Settlement
23 Agreement are an integral part of the Settlement.

24 71. Entire Agreement. This Settlement Agreement and any attached Exhibits
25 constitute the entirety of the Parties' settlement terms. No other prior or
26 contemporaneous written or oral agreements may be deemed binding on the Parties. The
27 Parties agree that no such extrinsic oral or written representations or terms will modify,
28 vary or contradict the terms of this Settlement Agreement.

1 72. Amendment or Modification. No amendment, change, or modification to
2 this Settlement Agreement will be valid unless in writing and signed, either by the
3 Parties or their counsel.

4 73. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
5 warrant and represent they are expressly authorized by the Parties whom they represent
6 to negotiate this Settlement Agreement and to take all appropriate action required or
7 permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate
8 its terms and to execute any other documents required to effectuate the terms of this
9 Settlement Agreement. The Parties and their counsel will cooperate with each other and
10 use their best efforts to effect the implementation of the Settlement. If the Parties are
11 unable to reach agreement on the form or content of any document needed to implement
12 the Settlement, or on any supplemental provisions that may become necessary to
13 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to
14 resolve such disagreement.

15 74. Binding on Successors and Assigns. This Settlement Agreement will be
16 binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto,
17 as previously defined.

18 75. California Law Governs. All terms of this Settlement Agreement and
19 Exhibits hereto will be governed by and interpreted according to the laws of the State of
20 California.

21 76. Execution and Counterparts. This Settlement Agreement is subject only to
22 the execution of all Parties. However, the Settlement Agreement may be executed in one
23 or more counterparts. All executed counterparts and each of them, including electronic
24 (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to
25 be one and the same instrument.

26 77. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
27 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the
28 Action and have arrived at this Settlement after arm's-length negotiations and in the

1 context of adversarial litigation, taking into account all relevant factors, present and
2 potential. The Parties further acknowledge that they are each represented by competent
3 counsel and that they have had an opportunity to consult with their counsel regarding the
4 fairness and reasonableness of this Settlement.

5 78. Invalidity of Any Provision. Before declaring any provision of this
6 Settlement Agreement invalid, the Court will first attempt to construe the provision as
7 valid to the fullest extent possible consistent with applicable precedents so as to define
8 all provisions of this Settlement Agreement valid and enforceable.

9 79. Waiver of Certain Appeals. The Parties agree to waive appeals and to
10 stipulate to class certification for purposes of this Settlement only; except, however, that
11 Plaintiff or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs
12 below the amount they request from the Court, and either party may appeal any court
13 order that materially alters the Settlement Agreement's terms.

14 80. Class Action Certification for Settlement Purposes Only. The Parties agree
15 to stipulate to class action certification for purposes of the Settlement only. If, for any
16 reason, the Settlement is not approved, the stipulation to certification will be void. The
17 Parties further agree that certification for purposes of the Settlement is not an admission
18 that class action certification is proper under the standards applied to contested
19 certification motions and that this Settlement Agreement will not be admissible in this or
20 any other proceeding as evidence that either (i) a class action should be certified or (ii)
21 Defendant is liable to Plaintiff or any Class Member, other than according to the
22 Settlement's terms.

23 81. Non-Admission of Liability. The Parties enter into this Settlement to
24 resolve the dispute that has arisen between them and to avoid the burden, expense and
25 risk of continued litigation. In entering into this Settlement, Defendant does not admit,
26 and specifically denies, that it violated any federal, state, or local law; violated any
27 regulations or guidelines promulgated pursuant to any statute or any other applicable
28 laws, regulations or legal requirements; breached any contract; violated or breached any

1 duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
2 conduct with respect to its employees. Neither this Settlement Agreement, nor any of its
3 terms or provisions, nor any of the negotiations connected with it, will be construed as an
4 admission or concession by Defendant of any such violations or failures to comply with
5 any applicable law. Except as necessary in a proceeding to enforce the terms of this
6 Settlement, this Settlement Agreement and its terms and provisions will not be offered or
7 received as evidence in any action or proceeding to establish any liability or admission
8 on the part of Defendant or to establish the existence of any condition constituting a
9 violation of, or a non-compliance with, federal, state, local or other applicable law.

10 82. No Public Comment: The Parties and their counsel agree that they will not
11 issue any press releases, initiate any contact with the press, respond to any press inquiry,
12 or have any communication with the press about the fact, amount or terms of the
13 Settlement. Nothing in this Settlement Agreement shall limit Defendant's ability to
14 fulfill disclosure obligations reasonably required by law or in furtherance of business
15 purposes, including the fulfillment of obligations stated in this Settlement Agreement.

16 83. Waiver. No waiver of any condition or covenant contained in this
17 Settlement Agreement or failure to exercise a right or remedy by any of the Parties
18 hereto will be considered to imply or constitute a further waiver by such party of the
19 same or any other condition, covenant, right or remedy.

20 84. Enforcement Actions. In the event that one or more of the Parties institutes
21 any legal action or other proceeding against any other Party or Parties to enforce the
22 provisions of this Settlement or to declare rights and/or obligations under this Settlement,
23 the successful Party or Parties will be entitled to recover from the unsuccessful Party or
24 Parties reasonable attorneys' fees and costs, including expert witness fees incurred in
25 connection with any enforcement actions.

26 85. Mutual Preparation. The Parties have had a full opportunity to negotiate
27 the terms and conditions of this Settlement Agreement. Accordingly, this Settlement
28 Agreement will not be construed more strictly against one party than another merely by

1 virtue of the fact that it may have been prepared by counsel for one of the Parties, it
2 being recognized that, because of the arms-length negotiations between the Parties, all
3 Parties have contributed to the preparation of this Settlement Agreement.

4 86. Representation By Counsel. The Parties acknowledge that they have been
5 represented by counsel throughout all negotiations that preceded the execution of this
6 Settlement Agreement, and that this Settlement Agreement has been executed with the
7 consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and
8 represent that there are no liens on the Settlement Agreement.

9 87. All Terms Subject to Final Court Approval. All amounts and procedures
10 described in this Settlement Agreement herein will be subject to final Court approval.

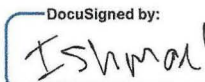
11 88. Cooperation and Execution of Necessary Documents. All Parties will
12 cooperate in good faith and execute all documents to the extent reasonably necessary to
13 effectuate the terms of this Settlement Agreement.

14 89. Binding Agreement. The Parties warrant that they understand and have full
15 authority to enter into this Settlement Agreement, and further intend that this Settlement
16 Agreement will be fully enforceable and binding on all parties, and agree that it will be
17 admissible and subject to disclosure in any proceeding to enforce its terms,
18 notwithstanding any mediation confidentiality provisions that otherwise might apply
19 under federal or state law.

20 **READ CAREFULLY BEFORE SIGNING**

21
22
23 Dated: 6/10/2021

PLAINTIFF

DocuSigned by:

34395CE36FE6453...

Ishmael Perez

24
25
26
27 Dated: 16 June 2021

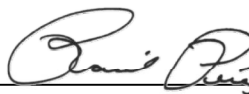
DEFENDANT CORE & MAIN LP


Mark Whittenburg

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 6/10/2021

By: 

Raul Perez

Attorneys for Plaintiff Ishmael Perez

LITTLER MENDELSON P.C.

Dated: June 16, 2021

By: 

Carlos Jimenez

Derrick Lam

Attorneys for Defendant Core & Main LP

Exhibit A

Perez v. Core & Main LP, No. 5:20-cv-01821 MCS (KKx)
UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully.
Si desea una traducción al Español de este Aviso, por favor llame al administrador al () ***-*******

To: All persons employed by Defendant Core & Main LP (“Defendant”) in the State of California in non-exempt positions at any time from June 30, 2016 through [date of Preliminary Approval] (“Class Members”).

All persons employed by Defendant in the State of California in non-exempt positions at any time from June 30, 2019 through [date of Preliminary Approval] (“PAGA Members”).

On _____, the Honorable Mark C. Scarsi of the United States District Court, Central District of California granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 9:00 a.m. on _____, 2021 in Courtroom 7C of the United States District Court, Central District of California located at 350 W. 1st Street, 7th Floor, Los Angeles, California 90012. You are not required to attend the hearing, but you are welcome to do so.

Summary of the Litigation

Plaintiff Ishmael Perez (“Plaintiff”), on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) provide employees with accurate, itemized wage statements; (5) reimburse employees for necessary business expenses, including but not limited to cell phone expenses, out-of-pocket costs for work boots, and costs for mandatory medical/physical examinations and drug tests.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On March 29, 2021, the parties participated in a mediation with the Honorable Michael Marcus (Ret.), an experienced and well-respected class action mediator. With Judge Marcus’ guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of the Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$550,000. This amount is inclusive of: (1) individual settlement payments to all Class Members who do not opt out under Option 2 (“Participating Class Members”) and PAGA Members; (2) a Class Representative Enhancement Payment of \$5,000 to Ishmael Perez for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendant; (3) \$183,333 in attorneys’ fees and up to \$15,000 in litigation costs and expenses; (4) a \$10,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$7,500 payment to the California Labor and Workforce Development Agency (“LWDA”) and a \$2,500 payment (“PAGA Fund”) to PAGA Members, and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$10,000. After deducting the above payments, a total of approximately \$326,667 will be allocated to Participating Class Members (“Net Settlement Fund”) Additionally, all PAGA Members will receive a proportional share of the \$2,500 PAGA Fund, regardless whether they opt out under Option 2.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from June 30, 2016 to date of Preliminary Approval (“Class Period”) and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the “Workweek Value.” Each Class Member’s share of the Net Settlement Fund will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant’s records, you worked during the Class Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ ____.

Payments from PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member from June 30, 2019 through [Preliminary Approval] (“PAGA Period”) and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the “PAGA Workweek Value.” Each PAGA Member’s share of the PAGA Fund will be calculated by multiplying each individual Participating PAGA Member’s total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Employee from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

According to Defendant’s records, you worked during the PAGA Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$ ____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$ _____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

c/o _____

Fax No. _____

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to Participating Class Members and PAGA Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members and PAGA Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and the Released PAGA:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action accruing during the Class Period that were or could have been pleaded based on the factual allegations set forth in the operative Complaint, including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination based on the preceding claims; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for the failure to reimburse for necessary business expenses; (vii) all claims for wage statement violations; and (viii) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*, based on the preceding claims.

Released PAGA Claims: All claims, rights, demands, liabilities, and causes of action for PAGA civil penalties accruing during the PAGA Period that were or could have been pleaded based on the factual allegations set forth in the operative Complaint and any PAGA Letters submitted to the LWDA by Plaintiff, including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination based on the preceding claims; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for the failure to reimburse for necessary business expenses; and (vii) all claims for wage statement violations.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The written request to be excluded must be postmarked or faxed not later than _____, 2021. If you submit a request for exclusion which is not postmarked or faxed by _____, 2021, your request for exclusion will be rejected, and you

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

will be included in the settlement class. If you choose **Option 2**, you will no longer be a Class Member, and you will (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Claims, (2) be barred from filing an objection to the settlement, and (3) not receive a payment from the settlement.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- You will, however, release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you must submit an objection stating why you object to the settlement. Your objection must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address]. Note that PAGA Members may not object to that portion of the settlement covering the Released PAGA Claims.

All objections must be received by the administrator by not later than _____ 2021. Late objections will not be considered. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the United States District Court, Central District of California and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: (888) 505-2810

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT'S ATTORNEYS WITH INQUIRIES.

4847-3926-6285.1 / 109029-1001

Questions? Contact the Settlement Administrator toll free at 1-*-***-******